



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Replacement of Ford Tauruses for Various City Departments

MEETING DATE: November 19, 1997

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution allowing the City Manager and the Fleet Management Committees to proceed with a fleet-wide replacement of Ford Taurus sedans.

BACKGROUND INFORMATION: The Equipment Maintenance Division is responsible for maintaining and repairing almost all of the City's vehicles and equipment. In early 1996, it became evident that the eleven Ford Tauruses the City owned, in four different departments, were incurring higher than normal repair and maintenance costs. Regardless of age or mileage, most of the Tauruses had experienced transmission repairs or problems. Several had transmissions replaced two or three times.

A Capital Improvement Budget Request was prepared in March 1996 requesting that the Tauruses be replaced in a two-year process (copy attached as Exhibit A). At that time, it was estimated that \$103,250 would be needed the first year, and \$110,750 the second year, to replace ten sedans (the eleventh Taurus was a car donated to the Police Partners program, which would be the responsibility of the Police Department to replace).

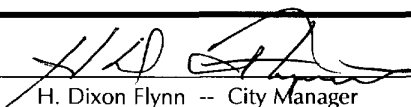
The City Manager requested that the Taurus replacement program not be included in the budget until the Fleet Policies and Procedures, which were then under development, were completed.

Since affected departments knew that a request had been submitted for these vehicles to be replaced on a systematic basis, most departments did not submit duplicate budget requests for the 1997/1999 budget years. Some departments did, however, and those requests have already been approved by the City Council with the adoption of the 1997/1999 Financial Plan and Budget. These include two by the Police Department (vehicles #05-001 and #05-039 at \$24,000 each) and one by the Electric Department (vehicle #09-008 at \$15,000).

Now that a year and a half has passed since the original request was made, several things have occurred:

- One Police Department Taurus, the donated Partners car #05-101, has already been removed from service.
- The accumulated repair and maintenance costs for the ten Tauruses still in service have continued to grow. Attached as Exhibit B is an updated summary that includes the number of transmission rebuilds each has had (please note that repair costs do not include dollars or cost of lost time when cars were out of service for warranty repairs).

APPROVED: _____

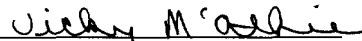

H. Dixon Flynn -- City Manager

- Several cars that would not have met the replacement criteria adopted in the Fleet Policies and Procedures now do.
- The amount of moneys the City might receive for selling these sedans has been reduced due to higher mileage and increased age.

The Fleet Management Committees have discussed, and concur, that the Ford Tauruses need to be replaced fleet wide. The recommendation to the City Council is that the Fleet Management Committees and the City Manager be authorized to consider and recommend replacement of Ford Tauruses on an individual basis, in exception to the replacement criteria adopted in the Fleet Policies and Procedures, if necessary, and authorize additional replacement funds as outlined below.

FUNDING: Funding for the Ford Taurus replacement sedans should be authorized from multiple Enterprise Fleet equipment replacement funds (since the Water/Wastewater and Electric utilities have three sedans) and the General Fleet Fund, utilizing moneys carried over from 1996/1997, 1997/1998, and 1998/1999. All Ford Tauruses should be replaced by fiscal year 1998/1999.

Total Funding Needed

	<u>1997/98</u>	<u>1998/99</u>
Water/Wastewater	\$ 41,300	\$ -0-
Electric Utility	-0-	22,150
General Fleet Fund	61,950	88,600
Less amount currently approved in budget	(24,000)	(39,000)
Additional funds needed	\$ 79,250	71,750
Funding Available		

Finance Director


Jack L. Ronsko
Public Works Director

Prepared by Dennis J. Callahan, Building and Equipment Maintenance Superintendent

JLR/DJC/lm

Attachments

cc: City Attorney
Purchasing Officer
Finance Director
Electric Utility Director
Police Chief
Parks and Recreation Director
Water/Wastewater Superintendent
Equipment Maintenance Supervisor
General Fleet Management Committee
Enterprise Fleet Management Committee

**1995-97 Financial Plan and Budget
CAPITAL IMPROVEMENT BUDGET REQUEST**

ACTIVITY: Equipment Maintenance
REQUEST TITLE: Fleet-Wide Taurus Replacements

Project Description

Purchase ten used replacement sedans to eliminate all Ford Taurus sedans from the Fleet.

Project Objectives

Enact a two-year plan to replace all ten (10) Ford Taurus four-door sedans from the Fleet. Five will be replaced in 1996/97 and five more in 1997/98. Replaced units will be disposed of by trade-in or sale at auction.

Existing Situation

There are eleven Ford Taurus sedans in the City Fleet. Ten have been purchased and one was donated to the Police Partners Program. All of the Taurus sedans, regardless of year produced, have had transmission repairs or problems. Some vehicles have had transmissions replaced two or three times. Fortunately, much of the work has been covered under warranties. However, as these vehicles age and accumulate miles, they are becoming greater liabilities to the City. A planned replacement program needs to be enacted to anticipate earlier-than-normal replacement. Attached as Exhibit A is a spreadsheet with information on all of the Taurus sedans to date.

This capital expenditure was reviewed by the Fleet Policies and Procedures Committee and they agree with the recommended program for replacement.

Project Costs

Recommended Funding Sources for 1996/97

Equipment Replacement Funds 20% Water 20% Wastewater 60% General

Cost Detail	<u>1996/97</u>	<u>1997/98</u>
(5) sedans each \$20,000*	\$ 100,000	\$ -0-
(5) sedans each \$21,500*	-0-	107,500
Miscellaneous costs to transfer radios and/or cellular phones	3,250	3,250
TOTAL	\$ 103,250	\$110,750

*NOTE: Resale values are not included so that adequate monies are budgeted for purchase of vehicles.

Alternatives

1. Do not replace these vehicles. This is not advised. The age and condition of these Taurus sedans (all are now past the mileage/age warranty coverages) will result in numerous expensive repairs, down time, and inconvenience to stranded staff.
2. Pay employees mileage and require them to use personal vehicles. If considered, liability insurance needs must be evaluated. This is not advised.
3. Replace the cars on an individual basis as they fail through emergency special allocations of funds. This is not good planning and is not advised. The City can realize higher resale value by selling or trading the Taurus sedans before they break down.

Project Effect on Operating Budget

Repair costs will be eliminated.


Building & Equipment Maintenance Superintendent

FORD TAURUS SUMMARY

VEH. NO.	DEPARTMENT	YEAR	MAKE	MODEL	LICENSE	IN SERVICE DATE	PURCHASE COST	CURRENT MILEAGE	ACCUM REPAIR/PM COSTS	TRANSMISSION REBUILDS
04-025	PW-WATER/WASTEWATER	1989	FORD	TAURUS	107422	7/24/90	\$ 10,842	80201	\$ 5,404.69	2
04-030	PW-WATER/WASTEWATER	1989	FORD	TAURUS	107421	7/24/90	\$ 10,842	59714	\$ 5,356.77	2
04-047	PW-BUILDING MAINT	1990	FORD	TAURUS	289684	9/26/90	\$ 13,466	35950	\$ 1,396.79	0
04-068	PW-STREETS	1989	FORD	TAURUS	336827	7/23/90	\$ 11,155	55478	\$ 8,185.10	3
04-090	PW-ENGINEERING	1991	FORD	TAURUS	289741	10/30/91	\$ 13,000	36396	\$ 1,702.04	1
05-001	POLICE	1988	FORD	TAURUS	2GGG018	8/13/87	\$ 10,322	76159	\$ 6,867.28	1
05-028	POLICE	1989	FORD	TAURUS	2VFA395	9/26/90	\$ 10,650	61245	\$ 2,906.42	1
05-039	POLICE	1990	FORD	TAURUS	2YED584	3/22/91	\$ 12,050	61202	\$ 3,276.57	1
05-101	POLICE-Donated Vehicle	1988	FORD	TAURUS	294527	12/6/94	\$ 8,465	138507	\$ 4,304.78	0
07-039	PARKS & RECREATION	1989	FORD	TAURUS	269783	9/26/90	\$ 10,809	47666	\$ 3,063.10	2
09-008	UTILITIES	1990	FORD	TAURUS	289728	4/18/91	\$ 11,824	60336	\$ 3,250.08	0

FORD TAURUS SUMMARY

VEH. NO.	DEPARTMENT	YEAR	MAKE	MODEL	LICENSE	IN SERVICE DATE	PURCHASE COST	CURRENT METER	ACCUM REPAIR/PM COSTS	TRANSMISSION REBUILDS
04-025	PW-WATER/WASTEWATER	1989	FORD	TAURUS	107422	7/24/90	\$ 10,842	92794	\$ 6,947.74	2
04-030	PW-WATER/WASTEWATER	1989	FORD	TAURUS	107421	7/24/90	\$ 10,842	69586	\$ 8,360.03	2
04-047	PW-BUILDING MAINT	1990	FORD	TAURUS	289684	9/26/90	\$ 13,466	42399	\$ 3,051.38	0
04-068	PW-STREETS	1989	FORD	TAURUS	336827	7/23/90	\$ 11,155	68947	\$12,448.27	3
04-090	PW-ENGINEERING	1991	FORD	TAURUS	289741	10/30/91	\$ 13,000	44246	\$ 2,624.26	1
05-001	POLICE	1986	FORD	TAURUS	2GGG018	8/13/87	\$ 10,322	84572	\$ 8,819.57	1
05-028	POLICE	1989	FORD	TAURUS	2VFA395	9/26/90	\$ 10,650	80098	\$ 5,723.80	1
05-039	POLICE	1990	FORD	TAURUS	2YED584	3/22/91	\$ 12,050	72893	\$ 4,461.49	1
45-101	POLICE-Donated Vehicle	1988	FORD	TAURUS	294527	12/6/94	\$ 6,465	145429	\$ 5,418.73	0
07-039	PARKS & RECREATION	1989	FORD	TAURUS	269783	9/26/90	\$ 10,809	55999	\$ 3,597.40	2
09-008	UTILITIES	1990	FORD	TAURUS	289728	4/18/91	\$ 11,824	74524	\$ 5,655.89	0

RESOLUTION NO. 97-189

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER AND THE
FLEET MANAGEMENT COMMITTEES TO PROCEED
WITH A FLEET-WIDE REPLACEMENT OF FORD
TAURUS SEDANS

RESOLVED, that the Lodi City Council does hereby authorize the City Manager and the Fleet Management Committees to proceed with a fleet-wide replacement of Ford Taurus Sedans.

Dated: November 19, 1997


I hereby certify that Resolution No. 97-189 was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 19, 1997 by the following vote:

AYES: Council Members – Land, Mann, Sieglock, Warner and Pennino
(Mayor)

NOES: Council Members - None

ABSENT: Council Members - None

ABSTAIN: Council Members - None


ALICE M. REIMCHE
City Clerk